

As Molasses fetch higher price in the international market, the same is being exported. There is no restriction on the export of value added products of Molasses by exporters if they are able to get sufficient orders for the same.

[English]

#### **Export of Low Value Added Items**

4946. DR. D. VENKATESWARA RAO. Will the Minister of COMMERCE be pleased to state.

(a) whether the export of low value added items has increased in comparison to high value added items during the current financial year;

(b) if so, the reasons therefor, and

(c) the steps proposed to be taken by the Government to encourage export of high value added items?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHINDAMBARAM): (a) according to the provisional estimates, the export of primary productions (Agriculture, Plantations and Ores and Minerals) amounted to Rs. 5740 crores during April-December 1991 as compared to Rs. 4274 crores during April-December 1990, thereby registering an increase of 34.3%. The export of manufactures amounted to Rs. 24592 crores during April-December 1991 as compared to Rs. 18915 crores during April-December 1990, thereby registering a growth of 30.5%. However, it needs to be mentioned that the primary products (plantations, Agriculture and Ores and Minerals) accounted for about 13% of our total exports while manufactures accounted for 81% of our total exports.

(b) The reasons for a relatively higher growth in primary products in relations to

manufactured products include slow-down in global trade and recession in advanced countries which could have affected our manufactured exports adversely as also seasonal factors, wherein the exports of agricultural products are higher in certain seasons.

(c) Several changes in trade policy were introduced in July/August, 1991, aimed at strengthening export incentives, eliminating a substantial volume of import licensing and optimal import compression. Barring essential imports of sensitive items like POI, fertilizers etc., all other imports of raw materials and components were linked to export performance. REP licences were replaced by Eximships. The advance licences as an instrument of export promotion has been strengthened, by reducing discretionary controls and delays. The procedure for import of capital goods has been strengthened. The EPZ and 100% EOU Schemes have been revamped. A number of export and import items have been decanalised. Exporters have been allowed to open foreign currency accounts in approved banks and to raise external credits, pay for export related imports from such accounts and credit export proceeds to such accounts. These steps have been further strengthened by the partial convertibility of Rupee and reduction in import tariff rates. Besides, the Government has taken other steps which include reducing controls through licensing, simplification of procedures for export, activation of Board of Trade, bilateral discussions with select countries, interaction with national organisations of Trade and Industry, etc.

#### **American Frigate Ships**

4947. DR. RAJAGOPALAN SRIDHARAN: Will the MINISTER OF SURFACE TRANSPORT be pleased to state:

(a) whether any American frigate ships forming part of the Seventh fleet had been